

**MINUTES OF REGULAR MEETING
OPEN SESSION
January 24 and 25, 2011
ILLINOIS GAMING BOARD
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Monday, January 24, 2011 a Regular Meeting of the Illinois Gaming Board (“Board”) was held on the 3rd floor at 160 N. LaSalle, Chicago, Illinois..

On Tuesday, January 24, 2011 at approximately 9:40 A.M. the following Board members were present: Chairman Jaffe, Members Charles Gardner, Eugene Winkler, Joseph Moore and James Sullivan. At 9:40 A.M. on Tuesday, December 14, 2010, Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

- 1. Personnel matters;**
- 2. Pending litigation;**
- 3. Investigations concerning applicants and licensees; and**
- 4. Closed session minutes.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by voice vote. The Board recessed at 11:45 A.M.

On Wednesday, January 25, 2011 the meeting reconvened at 11:30 A.M. Present were the following Board Members: Chairman Jaffe, Members Charles Gardner, Eugene Winkler, James Sullivan and Joseph Moore.

The Board remained in Closed Session until approximately 12:20 P.M. The Board recessed and went into open session at 1:08 P.M. Present were the following Board Members: Chairman Jaffe, Members Charles Gardner, Eugene Winkler, James Sullivan and Joseph Moore.

APPROVAL OF MINUTES

Member Gardner moved that **the Board approve the open session minutes of its Regular Meeting of December 15, 2010.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

ADMINISTRATOR'S REPORT –

Administrator Ostrowski announced that Erin Alexander will be the Acting General Counsel, The Administrator also commented on Mike Fries' departure from the Gaming Board. He congratulated him on his new adventure and stated that Mr. Fries worked tirelessly for the Gaming Board. We wish him well.

Administrator Ostrowski announced that Paltronics will be removed from the Agenda this month.

CHAIRMAN'S COMMENTS –

Chairman Jaffe congratulated Ms. Alexander on the position of Acting General Counsel and also echoed Administrator Ostrowski's comments regarding Mike Fries' departure from the Gaming Board.

OWNER LICENSEE ITEMS

- Hollywood Casino-Aurora, Inc. – License Renewal

Rodney Phillippe appeared before the Board on behalf of Hollywood Casino – Aurora, Inc.

Based on a review of staff's investigation and recommendation, Member Moore moved that **the Board approve the Owner's License of Hollywood Casino-Aurora, Inc. retroactively to December 2010 for a term of four (4) years expiring in December 2014.**

Furthermore, staff recommends that the IGB designate and approve the following business entities, individuals and positions as Key Persons of HCA.

1. **Penn National Gaming, Inc.;**
2. **Hollywood Casino Corporation;**
3. **Chief Executive Officer;**
4. **President;**
5. **Director of HCA;**
6. **Executive Vice President of Operations PENN;**
7. **Executive Vice President of Internal Audit;**
8. **Peter M. Carlino;**
9. **John V. Finamore; and**
10. **Gregg W. Hart.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Hollywood Casino-Aurora, Inc. – Robert D. Sheldon, Vice President/General Manager – Level One

Mr. Sheldon appeared before the Board.

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve Robert D. Sheldon as an Occupational Licensee Level 1 in the position of Vice President/General Manager for Hollywood Casino-Aurora, Inc., in Aurora, Illinois.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Winkler commented to Mr. Sheldon on the various "problems" that Hollywood Casino Aurora, Inc. seems to encounter regarding the SEP Program, and that the Board will be attentive to this situation.

SUPPLIER LICENSEE ITEM

- Midwest Game Supply Company – Supplier Renewal

Mr. Bob Wilson the Marketing Manager of Midwest Game Supply appeared before the Board.

Based on a review of staff's investigation and recommendation, Member Sullivan moved that **the Board renew the Supplier's License of Midwest Game Supply Company for a period of four (4) years expiring in January 2015.**

Member Sullivan further moved that **the Board designate and approve the following positions and persons as Key Persons of Midwest Game Supply Company:**

1. **President/Treasurer;**
2. **Vice President/Secretary;**
3. **Linda L. Sohm, 51% Shareholder; and**
4. **Charles P. Sohm, 49% Shareholder.**

Member Sullivan further moved that **Midwest Game Supply Company be authorized and approved to supply the following to Illinois Owner Licensees:**

1. **Certified "Perfect Dice";**
2. **Casino Chips;**
3. **Roulette and Big Six Wheels;**
4. **6 Deck Dealing Shoe;**
5. **Table game layouts for Baccarat, Mini-Baccarat, Big Six, Blackjack Royal Match 21, Single Hand 21, Spanish 21, Twenty-one Super Bucks, Poker, Let It Ride Poker, Craps, Red Dog, Roulette, Sic Bo, War and Wild Aruba Stud; and**
6. **Reconditioned electronic gaming devices (EGDs).**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote.

- Spielo Manufacturing ULC – New Supplier

Ed Winkovsky of the law firm Greenberg Traurig, appeared before the Board representing Spielo Manufacturing ULC.

Based on a review of staff's investigation and recommendation, Member Winkler moved that **the Board approve Spielo Manufacturing ULC for a Supplier's License, effective January 25, 2011 for a period of one (1) year, expiring in January, 2012.**

Member Winkler further moved **to designate and approve the following positions and persons as Key Persons of Spielo Manufacturing ULC:**

1. **B&D Holding di Marco Drago e. C.S.a.P.A.;**
2. **De Agostini S.p.A.;**
3. **Lottomatica group S.p.A.;**
4. **GTECH Corporation;**
5. **Chief Executive Officer, Gaming Solutions, Lottomatica;**
6. **Chief Executive Officer, Spielo; and**
7. **Victor Duarte.**

Member Winkler further moved that **Spielo Manufacturing ULC be authorized and approved to supply the following to Illinois Owner Licensees:**

1. **Electronic Gaming Devices (EGDs).**

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Shuffle Master, Inc. – David Benjamin John Lopez, Chief Operating Officer & Interim Chief Executive Officer – Key Person

Ed Winkovsky of the law firm Greenberg Traurig, appeared before the Board representing David Benjamin John Lopez, Key Person, Shuffle Master, Inc.

Based on a review of staff's investigation and recommendation, Member Gardner moved to **approve David Benjamin John Lopez as a Key Person of Shuffle Master, Inc., in his position as Chief Operating Officer and Interim Chief Executive Officer.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

OCCUPATIONAL LICENSES APPROVALS & DENIALS – LEVEL 2s & 3s

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve 25 applications for an Occupational License, Level 2, and 127 applications for an Occupational License, Level 3.**

Further, Member Moore moved that **the Board direct the Administrator to issue a Notice of Denial to the following individuals who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.**

- 1. Marvin L. Moredock Sr.;**
- 2. Jacqueline S. Herrera; and**
- 3. Stuart L. Hoag.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

Member Moore moved that **the Board direct the Administrator to issue a Notice of Denial to the following individual who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.**

- 1. Michael D. Rhoades**

Chairman Jaffe seconded the motion. Members Sullivan and Moore approved the motion. Members Winkler and Gardner opposed the motion. The motion passed 3 to 2.

PROPOSED COMPLAINT AND DISCIPLINARY ACTION

- Christina A. Santiago – Occupational Licensee

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Christina A. Santiago, an Occupational Licensee, due to her admission of theft of currency from patron's vehicles.**

Further, Member Sullivan moved that **the Board revoke Christina A. Santiago's Occupational License. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the Licensee files an Answer within that time period.**

Member Gardner seconded the motion. The motion passed unanimously by roll call vote.

- Hollywood Casino-Aurora, Inc., Alan Rosenzweig and Jamie E. Kaul

Member Gardner stated that the Board is very unhappy with the situation at Hollywood Casino – Aurora, Inc.

Member Winkler explained that he will vote “no” due to the fact that he does not feel the fine is adequate.

Based on staff’s investigation and recommendation, Member Gardner moved that **the Board issue a Disciplinary Complaint against Hollywood Casino Aurora, Inc., Alan Rosenzweig and Jamie E. Kaul based upon their failure to ensure that gifts were properly approved and documented in violation of Hollywood Casino Aurora, Inc.’s internal controls and further based on Alan Rosenzweig’s conduct of demanding tickets to sporting and other events from an outside media vendor in exchange for Hollywood Casino Aurora, Inc.’s business.**

Member Gardner further moved that **the Board impose a fine of \$50,000 on Hollywood Casino Aurora, Inc. revoke Alan Rosenzweig’s Occupational License and suspend Jamie E. Kaul’s Occupational License for a period of 30 work days without pay. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. Chairman Jaffe and Member Moore approved the motion. Member Winkler opposed the motion. The motion passed 4 to 1.

- Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah’s Metropolis Casino, Michael D. Rich and Cheryl M. Cordary-Waltmon

Based on staff’s investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah’s Metropolis Casino, Michael D. Rich and Cheryl M. Cordary-Waltmon based upon their conduct of implementing a change or participating in the implementation of a change to Harrah’s Metropolis Casino’s internal controls to allow the Security Department to report directly to the Director of Human Resources prior to approval by the Administrator.**

Member Winkler further moved that **the Board impose a fine of \$50,000 on Southern Illinois Riverboat Casino Cruises, Inc. d/b/a Harrah’s Metropolis Casino, suspend Michael D. Rich’s Occupational License for a period of 7 work days without pay, with credit for 7 days already taken, and suspend Cheryl M. Cordary-Waltmon’s Occupational License for a period of 4 work days without pay, with credit for 4 days already taken. Said action to take effect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.**

Tim Lambert, General Counsel, appeared before the Board.

Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

At 1:38 P.M. Member Winkler motioned to adjourn and Member Sullivan seconded the motion.
All Members voted in favor of adjournment.

Respectfully submitted,

Mary C. Boruta
Secretary to the Administrator